

Secretary-222

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

mm Docket 92-266

15 JUL 1993

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IN REPLY REFER TO:

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CN9302730

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JUL 19 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable Gillespie V. Montgomery  
House of Representatives  
2184 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Montgomery:

Thank you for your letter on behalf of G. H. Ward, III, owner of Sky Cablevision, Ltd., Meridian, Mississippi. Your constituent asks that the Commission delay the effective date of our new cable television rate regulations.

As explained in the enclosure, the effective date has been delayed until October 1, 1993. In the meantime, your constituent's comments will be placed in the record of our rate reconsideration proceeding.

I trust that the foregoing and the enclosure are informative.

Sincerely,

Roy J. Stewart  
Roy J. Stewart  
Chief, Media Division

WASHINGTON OFFICE:  
2184 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2403  
(202) 225-5031

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ADMINISTRATIVE ASSISTANT:  
ANDRE CLEMANDOT

G.V. "SONNY" MONTGOMERY  
3d DISTRICT, MISSISSIPPI

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2403**

*MMB*  
*CATV-RATES*  
*2730*

DISTRICT OFFICES:  
FEDERAL BUILDING  
MERIDIAN, MS 39301  
(601) 693-6681

GOLDEN TRIANGLE AIRPORT  
COLUMBUS, MS 39701  
(601) 327-2766

110-D AIRPORT ROAD  
PEARL, MS 39208  
(601) 932-2410

June 25, 1993

Mr. Roy Stewart  
Chief  
Mass Media Bureau  
Federal Communications Commission  
1919 M Street, N. W.  
Washington, D. C. 20554

Dear Mr. Stewart:

Enclosed is a letter I have just received from my  
constituent, Mr. G. H. Ward, III, owner/operator of

**SKY CABLEVISION, LTD.**

**JUN 22 1993**

**PETITION FOR STAY  
MM DOCKET 92-266**

1204 ROEBUCK DRIVE  
P.O. BOX 65  
MERIDIAN, MS 39302  
PHONE (601) 485-6980

**June 18, 1993**

**The Honorable G. V. Montgomery  
2184 Rayburn House Office Building  
Washington, D.C. 20515-2403**

**Dear Representative Montgomery:**

I am a small cable system owner/operator with five headends serving a total of 1450 subscribers. A breakown of our five small cable systems is as follows:

<u>HEADEND LOCATION</u>	<u>NUMBERS OF SUBSCRIBERS</u>
Boligee, Alabama	382
Sweetwater, Alabama	556
Bellamy, Alabama	160
Forkland, Alabama	179
Providence, Alabama	173

Total subscribers of all 5 cable systems	1,450
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I built these cable systems two and one half years ago and still owe over \$1,000,000.00 dollars to various lending institutions for the construcion of these systems.

I undertook a great deal of risk and work to provide cable service to small rural areas where conventional MSO"S wouldn't go. I charge \$22.00 per month for 18 to 20 channels of Basic cable programming and my customers don't bat an eye at the charge. They are just glad to have cable T.V. programming. I have a hard time making ends meet even at the \$22.00 rate. If I roll my rates back 10% to 15% according to the benchmark formula, I wouldn't be able to stay in business very long. I would be in the red after the 1st. month of lost revenue.

My small CATV systems have the same headend startup costs as large CATV systems, but where we serve only a few hundred homes large CATV systems serve thousands. Their operating costs per subscriber are far less than ours. Large MSO's also get volumn discounts on purchases of supplies and construction materials and have additional sources of

revenue through advertising and pay per view. They also get better rates on financing .

I am appealing to you to please reconsider your position on rate regulation of small cable T.V. systems. The present ruling will force my company into bankruptcy. It has already caused a scare in my bank and they have decided to stop all lending to small cable operators which will make it impossible for my company to even add on any additional programming or perform any costly upgrades or line extensions to customers just outside our service area.

I am very confused about the new cable regulations passed by the FCC and have not recieved any information at all concerning the new law. I cannot afford the legal fees and accounting fees that will be necessary for me to incur in order to understand and implement the new FCC rate regulations and perform the cost of service showings whatever they are.

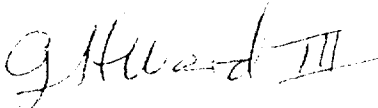
Please investigate more extensively the economics of scale of small cable T.V. systems and the damaging effects of the new rate regulations the FCC has passed has on small T.V. cable systems.

Please delay the effective date of the rate regulations and send my company the necessary information to do a cost of service showing so I can save my business from bankruptcy. I know the rate regulations have good intent for the consumer, but I feel that the opposite will be the result for small T.V. cable systems and for their subscribers. These rate regulations will cause many companies to go out of business and will prevent any new growth of cable T.V. service to small towns and rural areas. This cannot be the result that the FCC is trying to obtain with the new rate regulations.

Thank you for your prompt attention to my appeal for a review and an exemption of small CATV systems from the rate regulations imposed by the New FCC regulations.

Sincerely,

Sky Cablevision Ltd.

A handwritten signature in dark ink, appearing to read "G.H. Ward III". The signature is fluid and cursive, with the "III" at the end being clearly legible.

G.H. Ward III

GHW/d